

CANCER CHARITY SCAMS BUSTED

I read a very interesting press release from the Federal Trade Commission, issued on May 19, 2015. The press release tells us the FTC and all fifty state attorney generals, plus the District of Columbia, filed "joint enforcement action" against four cancer charities, accusing them of bilking their donors of \$187 million between 2008 and 2012.

The complaint names the charities and their organizers. Some of these organizers already agreed to the settlement orders. These are the offending sham charities:

- Cancer Fund of America, president James Reynolds Sr, chief financial officer Kyle Effler
- Cancer Support Services, president James Reynolds Sr, chief financial officer Kyle Effler
- Children's Cancer Fund of America, president Rose Perkins
- Breast Cancer Society, director and former president James Reynolds II

What was the mission of these charities? The FTC filing reports the four charities advertised themselves as providing support for cancer victims and their families with pain medication, transportation to chemotherapy, and hospice care.

What did they really do? The complaint tell us these charities employed professional fund-raisers who raised money through telemarketing, direct mail, websites, and through the Combined Federal Campaign, which raises money for charity from federal workers. The professional fund-raisers kept about 85% of the take. Almost all the rest went to support the lifestyles of the charity organizers. That money bought things like cars, vacations, luxury cruises, college tuition, gym memberships, concert tickets, and dating website memberships. They used only a very small percentage of the donations on cancer victims.

How did they do this? Well, not to put too fine a point on it, they lied repeatedly in the reporting the law required them to do to the various states and regulatory agencies. They filed false and misleading reports, claiming they a lot more money on their cancer victims than they really did.

The goal of the FTC and the attorneys general is to recover the \$187 million. I'm not sure how that is going to work out.

This episode is a pretty potent warning about donating to charities. You really need to do your homework. There are plenty of worthy causes out there to give to, but mixed up with them are these kinds of scammers. How do you know the difference?

Here's some things to check out:

- Can the charity provide proof your contribution is tax-deductible?
- Do they happily provide detailed information about their mission, costs, and use of the donations?
- Do they use a name which closely resembles that of a better-known, reputable organization?
- Do they thank you for a pledge you did not make?
- Do they want your donation immediately?
- Do they offer to send a courier or delivery service to collect the donation right away?
- Do they want the donation in cash or by wire transfer?
- Do they tell you the donation makes you eligible for a sweepstakes entry?

My advice on charity giving is pretty much the same as I've done for several years. Give to something you are passionate about. Think local charities first. Come up with a plan every year on what you are willing to support and how much you can give. Do your research, and stick to your plan.

If you want help researching charities, you can sure contact me. I am always happy to help out.

Let me know about scams, fraud, or other crookedness you run across. Most of what I learn, I learn from you. Contact me at Seniors vs. Crime, Clinton County Sheriff's Office, 563-242-9211 extension 4433, or email me at randymeier@gapa911.us.

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